National Security Personnel System

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DASN (CHR)

Why NSPS?

- **Current system inadequate to manage DoD civilian personnel in today's environment**
  - **Hiring too slow; recruiting adversely affected**
  - **Outstanding performers paid the same as poor performers**
  - **Limited flexibility to reassign**
  - **Limited accountability**

- **NSPS needs to bring about essential change while preserving the core and enduring values of the civil service**

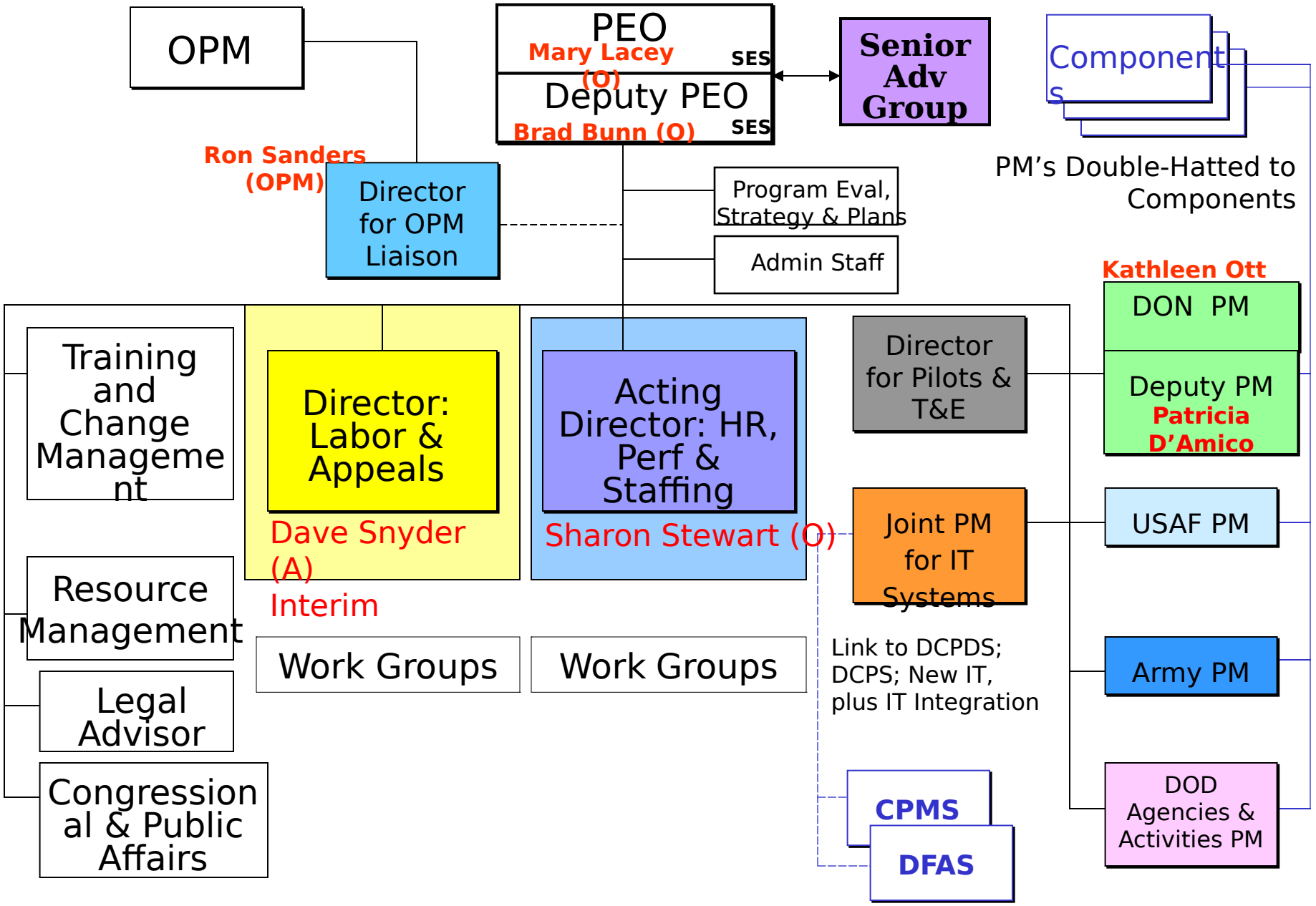
Significance

- **Most significant change to the civil service since the CSRA of 1978**
- **Potential for impacting entire civil service**
- **Flexibilities never before afforded to the civil service system**

Background

- **FY 04 NDAA signed in November 2003**
- **Grants SecDef & OPM Director authority to establish DoD HR System, Labor Relations, and Appeals & Grievance Process**
- **We were on a path to issue regulations and implement October 2004**
- **April 2004 Strategic Reset: Timelines adjusted to reflect more cautious, deliberate approach involving stakeholders**
- **NSPS Program Executive Office established – April 2004**
  - **Secretary Gordon England, Senior Executive**
  - **Mrs. Mary Lacey – NSPS Program Executive Officer**
  - **Mr. Brad Bunn – NSPS Deputy PEO**

Functional NSPS PEO Organization



Guiding Principles

7 Principles

1. **Put mission first – support National Security goals and strategic objectives**
2. **Respect the individual; protect rights guaranteed by law**
3. **Value talent, performance, leadership and commitment to public service**
4. **Be flexible, understandable, credible, responsive, executable**
5. **Ensure accountability at all levels**
6. **Balance HR interoperability with unique mission requirements**
7. **Be competitive and cost effective**

Big Picture

No Change from Title 5:

- Merit system principles
- Rules against prohibited personnel practices
- Benefits
- Allowances and travel/ subsistence expenses
- Training
- Leave and work schedules
- Other personnel systems in law
- Current Lab Demos until FY 08
- Anti-discrimination laws

NSPS HR Considerations:

- Pay Banding (GS/WG)
- Staffing (internal/external)
- Reduction in force
- Pay for Performance
- Labor relations
- Employee Appeals

Provisions Implemented:

- VERA/VSIP authority
- Reemployed Annuitants
- Experts

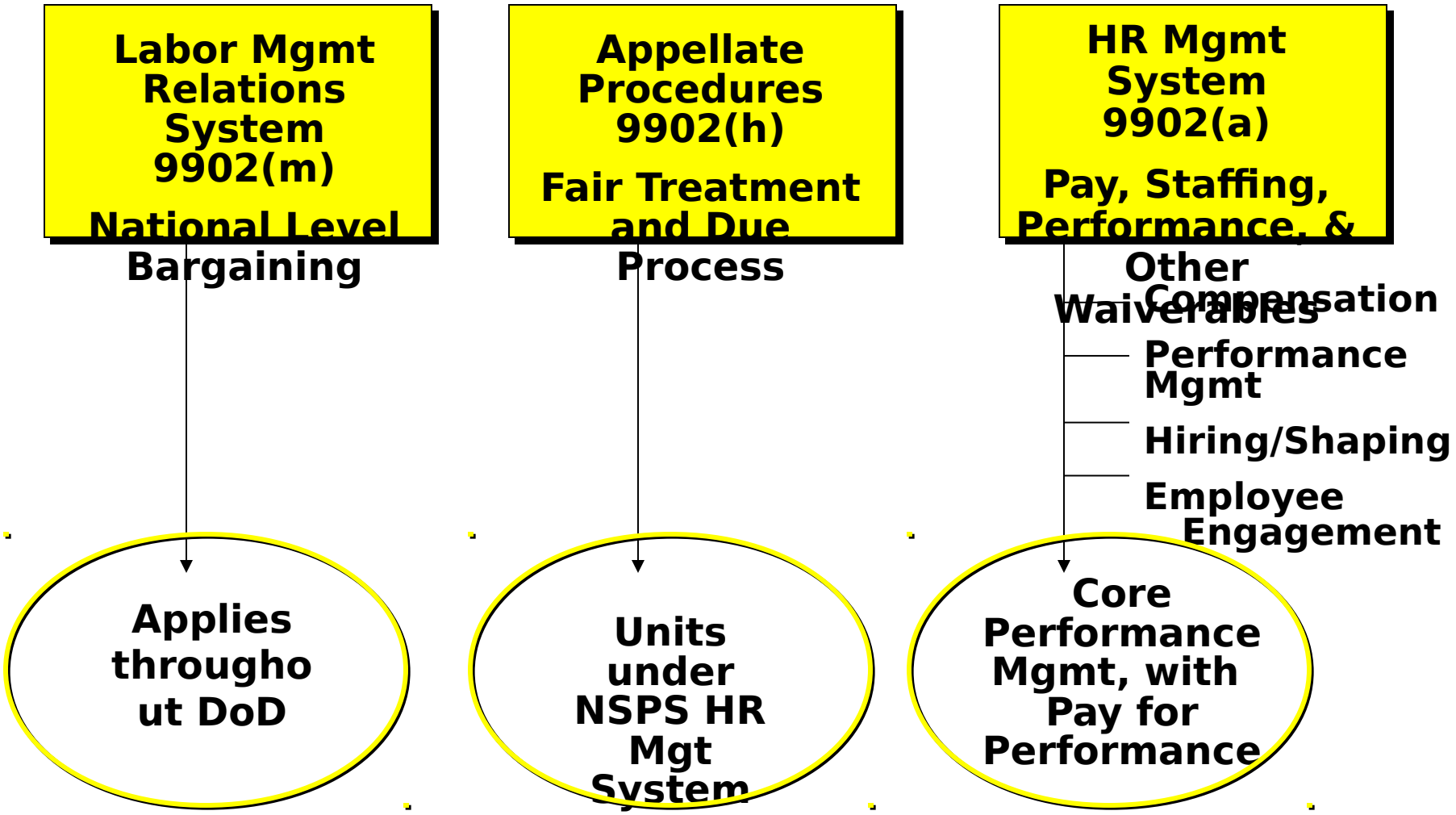
Planned:

- SES performance system

Continuing Responsibility for Component Policy and Execution:

- Human resource management - Leader Development - Support tools
- Work life programs - Mobilization and deployment - Workforce diversity - Reorganization planning - Career management - Workforce planning/Strategic recruiting

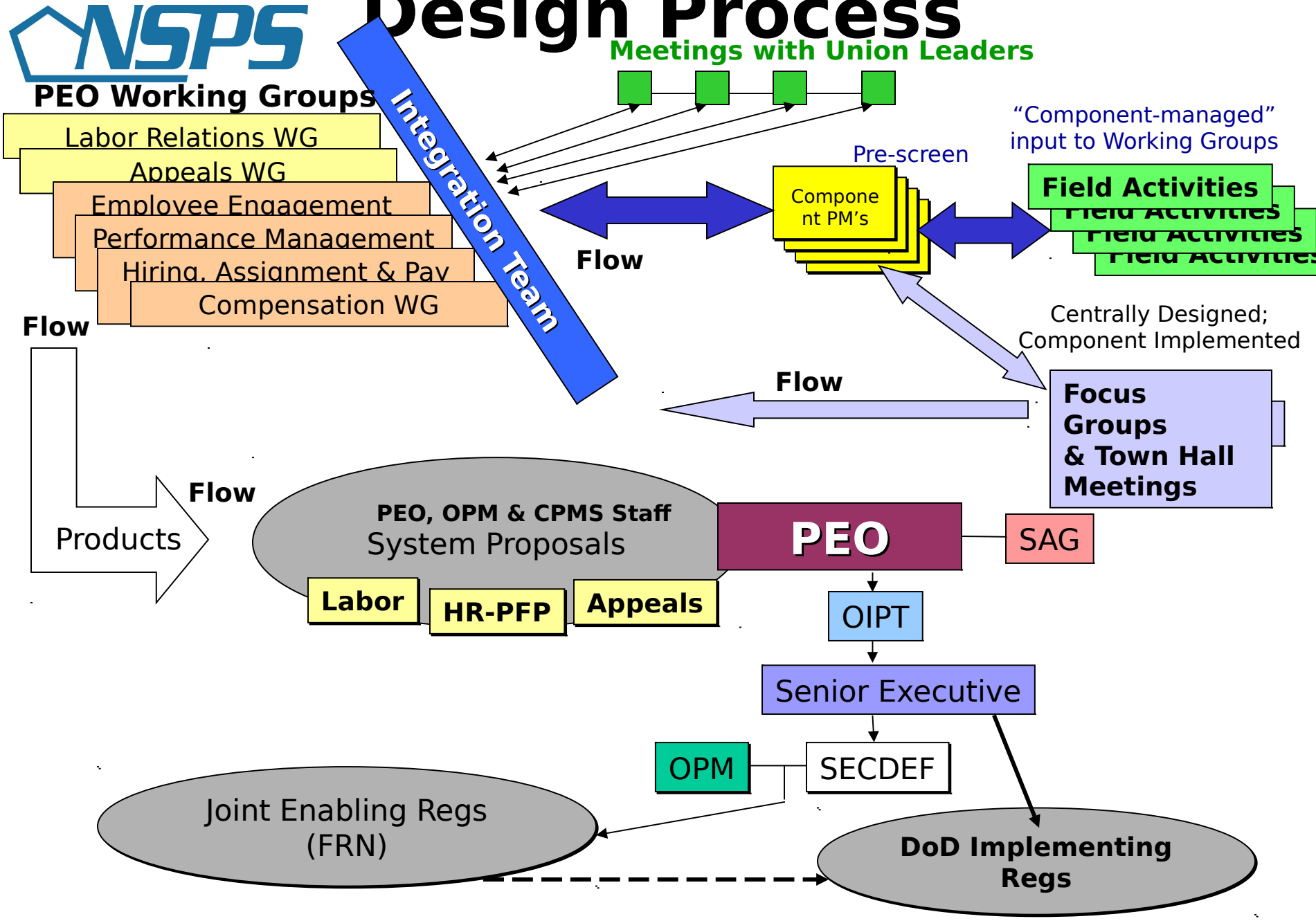
Major Elements


Labor Mgmt Relations System 9902(m)
National Level Bargaining
Appellate Procedures 9902(h)
Fair Treatment and Due Process
HR Mgmt System 9902(a)
Pay, Staffing, Performance, & Other Compensation Waiverables
Performance Mgmt
Hiring/Shaping
Employee Engagement
Applies throughout DoD
Units under NSPS HR Mgt System
Core Performance Mgmt, with Pay for Performance

Current Status

- **PEO and Component Program manager structure in place**
- **OIPT (DUSD/PR and OPM co-chair) and Senior Advisory Group (SAG) established**
- **NSPS system and training design underway**
- **Involvement of key interest groups on-going**
- **Event driven milestones**
- **Workforce orientation & communication efforts ongoing**

Design Process



Union Collaboration

- Meetings with union coalition members/other unions ongoing
  - First Meeting, 7 June
    - Rules of Engagement/Meeting Procedures
  - Second Meeting, 29 June
    - NSPS development process/schedule
    - Overall principles and concerns
    - Town Halls/Focus Groups
  - Third Meeting, 25-26 August
    - Potential features of Labor and Appeals System
  - Fourth Meeting, 10 September
    - Potential features of HR System

Focus Groups

- Purpose: To elicit perceptions/concerns about current HR system, as well as design ideas for NSPS
- Demographics
  - *77% of groups had bargaining unit participation
  - Over 10K comments received
  - DON Locations: Worldwide

	Employee	Supervisor	Practitioner	Total Groups/ Employees
DoD	52*	33	21	106/1000+
DON	14	14	9	37/450+

Focus Groups (Cont'd)

- Topic Areas
  - Performance Management/Pay-for-Performance
  - Classification and Pay Banding
  - Hiring and Assignment
  - Workforce Shaping and Downsizing
  - Employee Engagement and Appeals
  - Labor-Management Relations (N/A Employee Groups)

- Results
  - Raw Data/ Varied Feedback/ Analysis Still Ongoing

Thanks to all for a Job Well Done!

NSPS Design Working Groups

- Purpose: Identify and develop options for NSPS design
- Working Groups began meeting 27 July
- Group members include
  - Military Components/Defense Agencies
    - Military and civilian supervisors/managers
    - HR/EEO Practitioners
    - Counsel/FM
  - OPM
- Covered Program Areas
  - Compensation (Classification and Pay)
  - Performance Management
  - Workforce Hiring, Assignment, pay setting and shaping
  - Employee Engagement
  - Appeals
  - Labor Relations

Working Groups (Cont'd)

Compensation	PFP	Staffing/Downsizing
Don Summer (AIR)**	Betty Duffield (NRL)**	Karen Trudell (HRSC SW)
Chuck Horrell (SEA)**	Jim Irwin (Mar Corps)* **	Terri O'Brien (OCHR)
Carlos Saavedra (OCHR)	Richard Bennis (SUP)	Trish Murphy (HRSC SE)
Cdr, John Erickson (Reserve)		

Employee Engagement	Appeals	Labor
Steve Sommers (CNI)*	John Thompson (SEA)	John Thompson (SEA)
Joan Williams (HRSC East)	Jeff Epstein (OGC)	Paul Polinger (SEA)
Rich Hipple (OGC/ADR)	Rebecca Tittle (OCHR)	Jim Lewis (OCHR)

* Denotes Team Lead

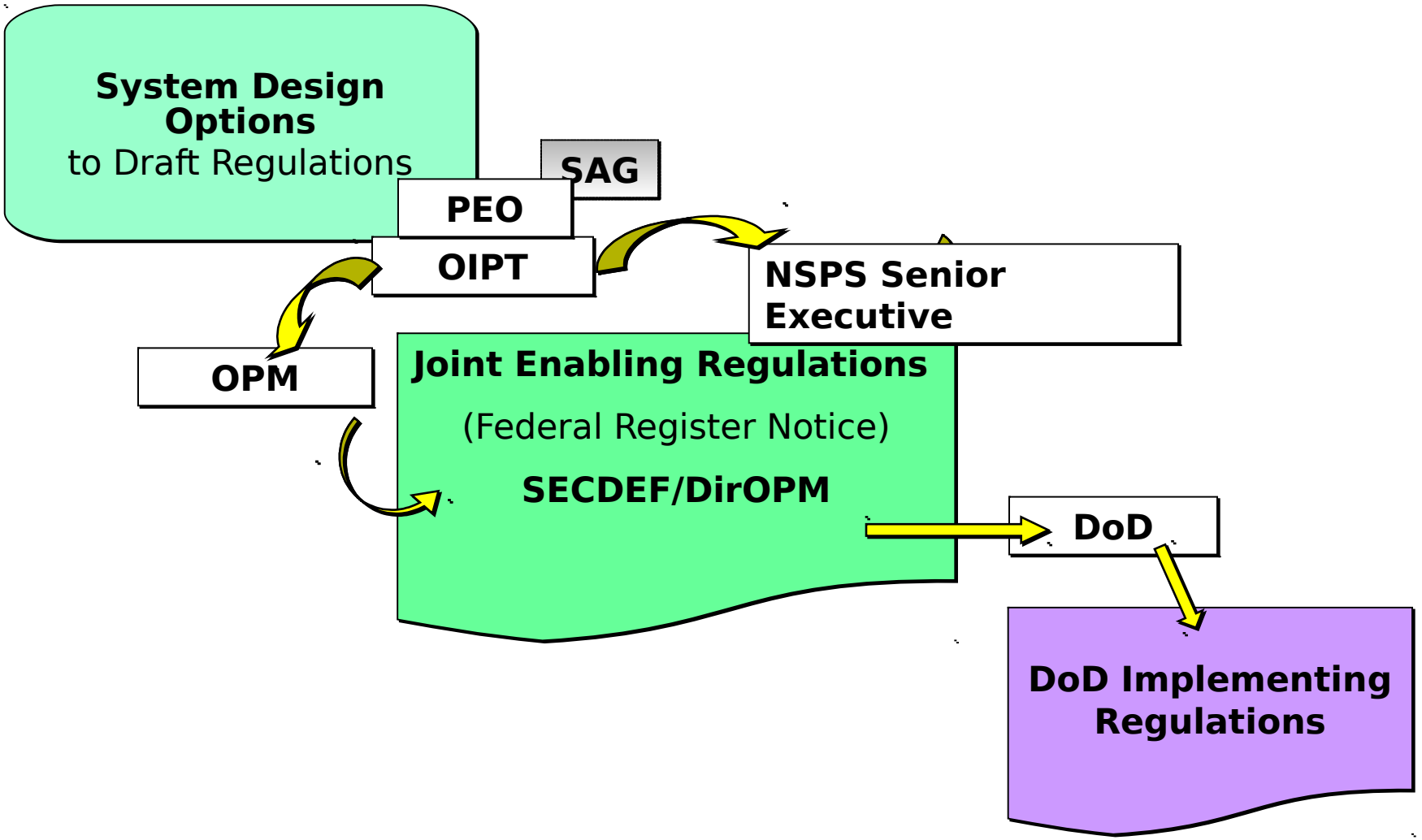
** Denotes Demonstration Project

Working Groups (Cont'd)

- Predecisional NSPS HR Design options have been posted on the web/presented to Congress and labor for feedback/input

- Design Features include processes to:
  - Classify Jobs to Meet Dynamic Mission
  - Offer Competitive Compensation
  - Attract & Hire High Quality Applicants
  - Develop and Retain High Performing Employees
  - Reshape and Transition the Workforce
  - Foster Effective Supervisor/Employee Engagement

Regulation Approach



Key Milestones

- **Proposed regulations to be issued in Federal Register – late 2004**
- **Federal Register process allows for official comment period**
- **NSPS law prescribes official collaboration with unions following Federal Register publication**
- **NSPS Spiral One – proposed for July 2005**
- **NSPS Spiral Two – proposed for Jan 2006**
- **Full NSPS implementation – July 2007/2008**

Spiral One

- **Components soliciting interested organizations for Spiral One with nominations due to PEO by 14 September**
  - **Should have an adaptive workforce climate and demonstrated acceptance of readiness for change**
  - **Should have established methods to measure effectiveness of mission accomplishment and a strategic or business plan tied to HR practices**
- **Components will review nominations and make recommendations**
- **OIPT will decide organizations for Spiral One in October 2004**

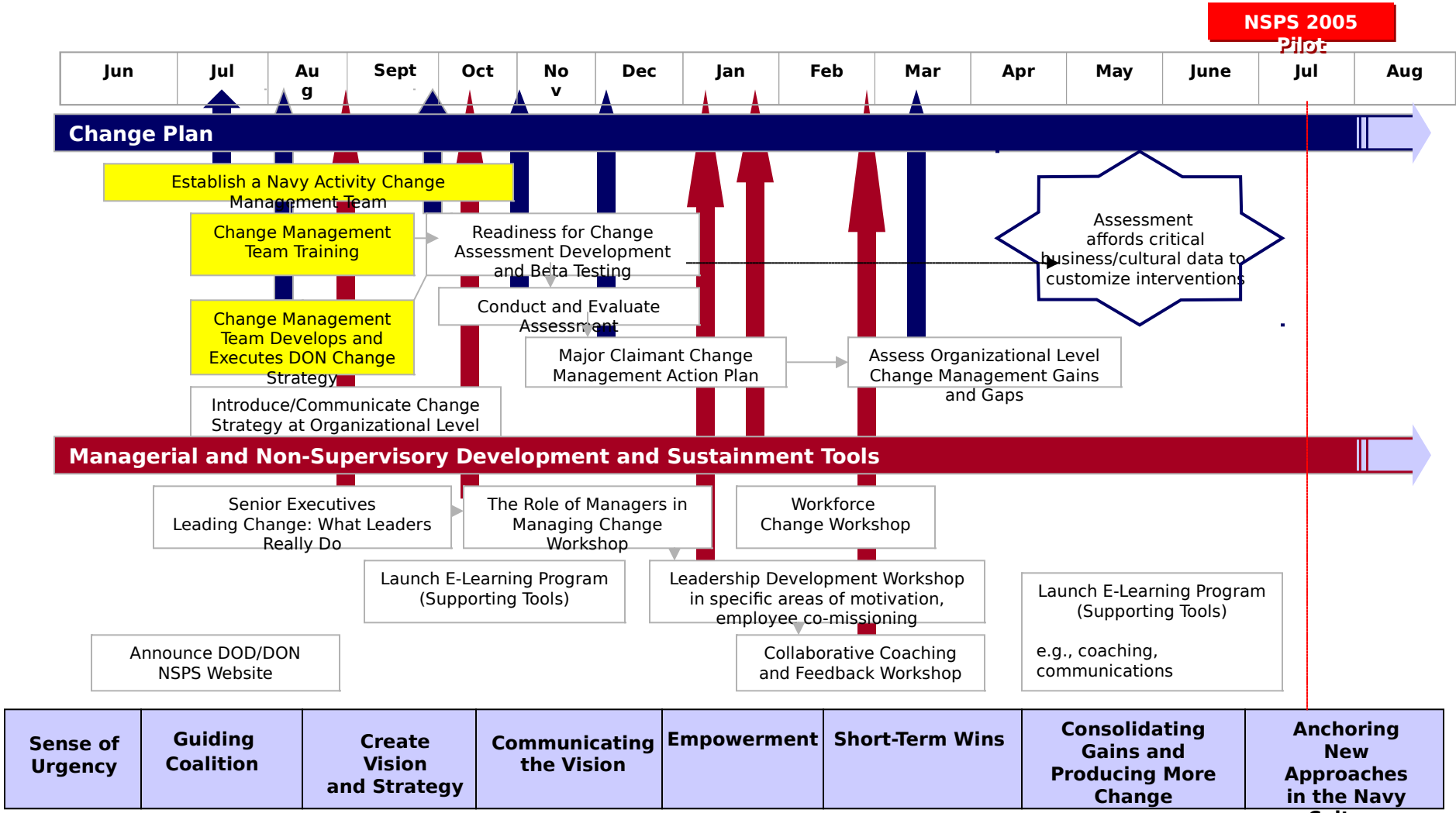
Training Objectives

- **Provide necessary skills & knowledge to enable employees, managers and HR personnel to successfully implement NSPS**
  - **Soft Skill**
  - **Change Management**
  - **NSPS Technical**
- **Fulfill requirements of Public Law 108-136**
- **Foster support and confidence in NSPS**
- **Facilitate the transition to a performance based, results oriented culture**

Change Management Plan

- **Preparing "Change Management" plan for the DON**
  - **High-Level Plan endorsed by ASN (M&RA) BOD, 24 June**
  - **Request for Command Change Agents disseminated 12 July**
  - **Command Change Management Team meeting, 25-27 August**
  - **Working with NETC to launch NSPS soft skill training/Community Page via NKO**
    - **Early FY-05**
    - **Supplemented by classroom training where needed**
  - **Exploring Senior Level Change Management Meeting**
  - **Will be conducting a Baseline Assessment to identify organization strengths/weaknesses and needed interventions**

DON Change Management Notional Schedule



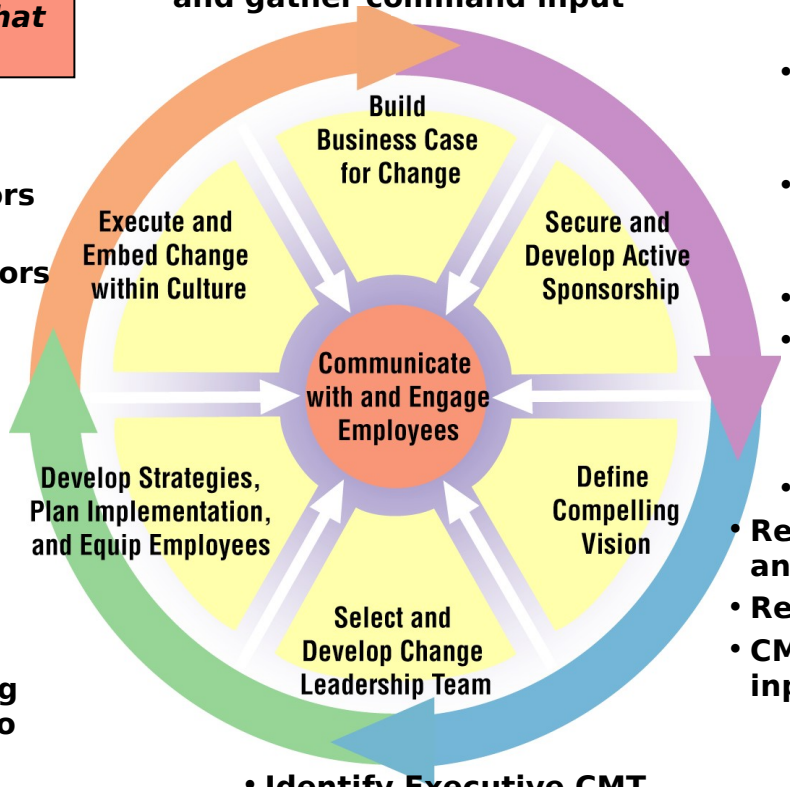
Sense of Urgency	Guiding Coalition	Create Vision and Strategy	Communicating the Vision	Empowerment	Short-Term Wins	Consolidating Gains and Producing More Change	Anchoring New Approaches in the Navy Culture

Short Term Action Plan Summary

- *Solidify messages at DON level and claimant level*
- *Develop strategic communication plan (what and how)*

- Clarify "One Voice" business case for change
- CMT member meets with CO and staff, discuss case for change and gather command input

- Identify command-level sponsors
- Send SecNav letter to command-level sponsors confirming CMT member
- CMT member meets with CO, gathers input, and surfaces concerns
- CO sends letter establishing credibility of CMT member (e.g., CNI)
- PM/DASN visit to sponsors
- Conduct executive change management training; educate senior managers on sponsorship role
- Contract for responsibilities of sponsor and change agent


Build Business Case for Change
Secure and Develop Active Sponsorship
Define Compelling Vision
Select and Develop Change Leadership Team
Develop Strategies, Plan Implementation, and Equip Employees
Execute and Embed Change within Culture
Communicate with and Engage Employees

- Practice new behaviors
- Adapt systems to reinforce new behaviors

- Integrate PM with CMT member (spiral one)
- Build change management plan into overall project plan
- Conduct training needs assessment, define learning outcomes and curriculum to equip workforce
- Market NKO/NSPS training curriculum
- Conduct senior level training

- Review DOD-level vision and get clarity on terms
- Refine
- CMT member gets CO input

- Identify Executive CMT members
- Charter the CMT
- Identify Command team members

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Implementation Challenges

- **Changing culture from Entitlement to Performance**
  - **Pay linked to performance**
  - **Performance Evaluations need to be specific and defensible**
    - **Communicating and documenting performance goals**
    - **Providing professional feedback to employees on performance**

- **Budgeting/Managing Costs**
  - **WGI Buyout**
  - **Controlling pay increases within the bands**
  - **Ensuring performance is tied to business results**

- **Technology**
  - **Systems for documenting and tracking performance goals/ pay models**

Demo Lessons Learned

- **Communication is critical**
  - **Employees - Managers**
  - **Stakeholders - Congress**
  - **Media**
- **Training is essential**
- **Employee acceptance must be earned**
- **Supervisors set the tone**
- **Transition planning reduces risk**
- **Continuous assessment & evaluation pays off**

Getting Ready

- **Educate the workforce, military and civilian**
- **Hone Communication Skills: Giving and Receiving Feedback**
- **Begin to think about performance measures/outcomes**
  - **Balanced Scorecard**
  - **GPRA**
- **Ensure Strategic Plan is current and has been communicated to all employees**
- **Ensure accuracy of Position Descriptions/Series**
- **Stay tuned for budget implications**
- **Check the web site for updates www. cpms.osd.mil/nsps www.donhr.navy.mil/nsps**

Summary

- **In full support of National Security goals and objectives**
- **Numerous opportunities for interested parties to be involved**
- **Provides historic opportunity - presents significant challenges**
- **Open and collaborative NSPS design process is underway**

Objective: A DoD Human Resources environment promoting employee growth, initiative, performance and accountability that places the right person in the right job with the right skills at the right time at the right cost